

(b) whether these unrealistic specifications are being imposed on us by the Developed countries to prevent imports into their country; and

(c) if so, the details of action taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMARABDULLAH): (a) to (c) There are no specific product-quality related restrictions on exports of leather goods from India. However from time to time some of the countries have been requiring suppliers including Indian exporters to meet certain consumer/environment security standards which the Indian industry has been able to comply with. In this regard Government organisations like Central Leather Research Institute and Footwear Design and Development Institute are assisting the industry by extending appropriate technical support.

#### **Free Import of Silk Fabrics**

2586. SHRI P. PRABHAKAR REDDY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that prominent silk exporters throughout the country have urged Government to allow free import of silk fabrics to improve the quality of silk made garments and curb rampant smuggling of silk fabrics into the country;

(b) if so, what is Government's reaction thereto and whether it is proposed to concede this demand; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMARABDULLAH): (a) to (c) Some silk exporters of the country have represented to the Government regarding removal of import restrictions on silk fabrics. Silk fabrics are classified under Chapter 50 of ITC(HS) Classifications of Export and Import Items, 1997—2002. Import restrictions on these items are likely to be removed by 31.03.2001.

#### **Export of Gems and Jewellery**

2587. SHRI K. RAMA MOHANA RAO: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the share of gems and jewellery in the total exports of India in 1999-2000;
- (b) the steps Government have taken to increase the export of gems and jewellery during the year 2001-2002;
- (c) whether any efforts are being made to make India a trading centre for diamonds; and
- (d) if so, the steps Government have taken so far in this regard and whether India is attempting to build a direct trade channel with other countries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH): (a) The share of gems and jewellery in the total merchandise exports of India in the year 1999-2000 was about 21%.

(b) Several initiatives have been taken based on the requirements of the trade and the prevailing global economic conditions, in the form of exports promotion schemes in the annual Export Import Policy, to increase the exports of gems and jewellery. Some of the important policy initiatives announced in the Exim Policy w.e.f. 1 st April 2000 include:

- 1 Permission to firms and companies dealing in the purchase/sale of rough or cut & polished diamonds and having an average annual turnover of Rs. 5 crore or above during the preceding three licensing years to carry out their business through Diamond Dollar Accounts;
2. Permission to foreign buyers to directly supply gold/silver/platinum and also plain semi-finished gold/silver/platinum jewellery to the status holders in India for manufacture and export of gold/silver/platinum jewellery.
3. Permission for personal carriage of gems and jewellery import parcels;
4. Permission to import plain/studded jewellery items on payment of duty to the extent of 2.5% of the FOB value of exports of the preceding year;
5. Rationalisation of definition of gold/silver/platinum jewellery/articles and prescription of value addition and wastage norms for articles like medallions etc.; and
6. Permission to import and supply platinum of 0.900 fineness.

(c) Yes, Sir.

(d) India has a share of about 55% by value in global trade of cut and polished diamonds and approximately 9 out of 10 diamonds in the world are processed in India. It has, therefore, been proposed that India should become a global trading centre in diamonds. The Exim Policyinitiatives such as provisions for the establishment of private/public bonded warehouses, the Diamond Dollar Account Scheme and permission for personal carriage of import and export parcels, etc. should facilitate development of Mumbai as a global trading centre for diamonds.

The Gem & Jewellery Export Promotion Council (GJEPC), a representative autonomous body of the trade, sponsored by the Ministry of Commerce & Industry, has been interacting with some of the diamond mining countries to explore the possibilities of direct sourcing of rough diamonds. Indian Government has also signed a "Protocol of Intentions" with Government of Russia to cooperate in the area of diamonds including the direct supply of rough diamonds by Russia to *India*.

#### **Cases against board level officers of STC/MMTC/PEC**

2588. SHRI SANJAY NIRUPAM: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Central Vigilance Commissioner has given any advice regarding penalties to be imposed/action taken in respect of board level officers including CMD of STC, MMTC and PEC in the last two years;

(b) if so, the details thereof and the response of the Ministry in this regard;

(c) whether CVC has asked the Ministry to refer the above cases to CBI; and

(d) if so, the details thereof and whether the cases have since been referred; and if not, reasons therefor?

THE MINISTER OF STATE INTHE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH): (a) and (b) Yes, Sk. CVC have advised to initiate major penalty proceedings in the following cases:-

1. Shri S.D. Kapoor, CMD,MMTC
1. Shri P.N. Shartna, Director, MMTC.